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AMY KLOBUCHAR
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JOINT ECONOMIC COMMITTEE
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United States Senate

WASHINGTON, DC 20510

September 13, 2011

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Public Record

The Honorable Daniel R Elliott, III
Chairman
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

RE: STB Finance Docket No. 35506, Petition for Declaratory Order

Dear Chairman Elliott:

I am writing with respect to the Western Coal Traffic League's pending petition before the Surface Transportation Board (STB) requesting an order to prevent BNSF Railway Company (BNSF) from passing on to captive customers the roughly \$7.6 billion acquisition premium brought about by Berkshire Hathaway's acquisition of BNSF in 2010. The petition also asks the STB to initiate a public proceeding to allow all interested persons to participate in the matter to ensure public input can be received prior to rendering a final decision.

Merger premiums are precluded by general rule from being included in the rate base in other regulated industries in order to protect consumers. Earlier this year, along with several of my colleagues, I contacted you to express my concerns over this premium and the adverse effect it could have on rural consumers. The National Association of Regulatory Utility Commissioners, utility organizations including the National Rural Electric Cooperative Association, and rail shippers have all come out in support of this petition.

BNSF is one of the largest railroads in the nation, and is the primary rail provider in my state of Minnesota. Utilities, farmers and ranchers, ethanol producers, and manufacturers may be harmed significantly, and their negotiating position with BNSF diminished if the premium is allowed to stand. I urge you to promptly give full and fair consideration to this petition and respectfully request an update on the status of its review by the STB.

Thank you for your assistance on this request.

Sincerely,



Amy Klobuchar